

1 UNITED STATES BANKRUPTCY COURT
2 SOUTHERN DISTRICT OF NEW YORK

3 Case No. 16-11700-smb

4 - - - - - x

5 In the Matter of:

6

7 GAWKER MEDIA, LLC,

8 Debtor.

9 - - - - - x

10

11 U.S. Bankruptcy Court

12 One Bowling Green

13 New York, NY 10004

14

15 June 20, 2017

16 10:15 am

17

18

19

20

21 B E F O R E :

22 HON STUART M. BERNSTEIN

23 U.S. BANKRUPTCY JUDGE

24

25 ECRO: K. SU

1 Hearing re: Final Fee Application of Mourant Ozannes of
2 Fees for Professional Services Rendered and Disbursements
3 Incurred as Special Counsel as to Cayman Islands Law for the
4 Official Committee of Unsecured Creditors for the period
5 from July 18,2016 through January 5,2017, period: 7/18/2016
6 to 1/5/2017, fee: \$28,420, expenses: \$.

7
8 Hearing re: Final Fee Application of Reczicza Dentons
9 Europe LLP of Fees for Professional Services Rendered and
10 Disbursements Incurred as Special Counsel for the Official
11 Committee of Unsecured Creditors for the Period from July
12 1,2016 through January 13,2017, period: 7/1/2016 to
13 1/13/2017, fee: \$7,681.50, expenses: \$177.29.

14
15 Hearing re: Application for Final Professional Compensation
16 for Cahill Gordon & Reindel LLP

17
18 Hearing re: Final Application of Simpson Thacher & Bartlett
19 LLP, For Approval and Final Allowance of Compensation for
20 Services Rendered and the Reimbursement of Expenses Incurred
21 for Official Committee of Unsecured Creditors of Gawker
22 Media LLC, et al., period: 6/24/2016 to 3/17/2017, fee:
23 \$1,797,065.75, expenses: \$64,937.60.

24
25

1 Hearing re: Application for Final Professional Compensation
2 for Deloitte Financial Advisory Services LLP, Other
3 Professional, period: 6/28/2016 to 3/17/2017, fee:
4 \$893,991.00, expenses: \$1,096.03.

5
6 Hearing re: Second and Final Fee Application of Ropes &
7 Gray LLP, Attorneys for the Debtors and Debtors in
8 Possession, for the Period from June 10,2016 Through and
9 Including March 17,2017, period: 6/10/2016 to 3/17/2017,
10 fee: \$7,460,598.75, expenses: \$180,591.41.

11
12 Hearing re: Final Fee Application of Citrin Cooperman &
13 Company, LLP for Compensation for Professional Services
14 Rendered and Reimbursement of Expenses Incurred as
15 Independent Auditor and Accounting Services Provider for the
16 Debtors and Debtors in Possession for the Period from
17 June 10, 2016 Through March 17,2017, period: 6/10/2016 to
18 3/17/2017, fee: \$187,455.50, expenses: \$0.00.

19
20 Hearing re: Final Application of Thomas & LoCicero PL as
21 Special Litigation Counsel to the Debtors and Debtors in
22 Possession, for Allowance of Compensation and for the
23 Reimbursement of Expenses for the Period from June 10,2U16
24 Through September 30,2016, period: 6/1U/2016 to 9/30/2016,
25 fee: \$5,440.00, expenses: \$3,445.02.

1 Hearing re: Final Application of Bush Ross, P.A. as Special
2 Florida Litigation Conflicts Counsel for the Debtors and
3 Debtors in Possession for Allowance of Compensation for
4 Professional Services Rendered and Reimbursement of Expenses
5 Incurred for the Period from October 28, 2016 Through March
6 17, 2017, Special Counsel, period: 10/28/2016 to 3/17/2017,
7 fee: \$8,250.00, expenses: \$0.00.

8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25 Transcribed by: Sonya Ledanski Hyde

1 A P P E A R A N C E S :

2

3 ROPES & GRAY LLP

4 Attorneys for the Debtor

5 1211 Avenue of the Americas

6 New York, NY 10036

7

8 BY: GREGG GALARDI

9

10 CAHILL GORDON & REINDEL LLP

11 Special Counsel

12 80 Pine Street

13 New York, NY 10005

14

15 BY: JOEL H. LEVITIN

16 SUSAN BUCKLEY

17

18 SIMPSON THACHER & BARTLETT LLP

19 Attorneys for the Official Unsecured Creditors'

20 Committee

21 425 Lexington Avenue

22 New York, NY 10017

23

24 BY: SANDY QUSBA

25

1 UNITED STATES DEPARTMENT OF JUSTICE
2 Attorney for the U.S. Trustee
3 201 Varick Street, Suite 1006
4 New York, NY 10014
5

6 BY: RICHARD C. MORRISSEY
7

8 ALSO PRESENT TELEPHONICALLY:
9

10 LOGAN RAPPAPORT

11 JOHN DOYLE

12 ALEX MCGEE

13 JEFFREY W. WARREN

14 BETHANY RECHT
15
16
17
18
19
20
21
22
23
24
25

1 P R O C E E D I N G S

2 MR. GALARDI: Good morning, Your Honor. Greg
3 Galardi, on behalf of the Gawker Debtors. Today's hearing
4 is one adjourned matter, and then there are eight fee
5 applications, final fee applications on for here. Four are
6 Debtor professionals, four are committee professionals. Any
7 issues that have been raised by the U.S. Trustee have been
8 resolved. And there has not been a modification to the
9 amounts. I can take them in the order of the agenda, I can
10 take them by group, or I can take them by Your Honor's
11 questions with respect to the applications.

12 THE COURT: You can do them by group.

13 MR. GALARDI: Okay. Your Honor, with respect to
14 the four Debtor's professionals, you have Cahill Gordon,
15 which is on the agenda as Number 3. Their final application
16 is for \$113,720, expenses of \$986, and total payment
17 requested after having applied certain of the payments is
18 \$47,658.03. They were special council to resolve a
19 settlement. They were before Your Honor, approved on an
20 interim basis. Their initial fees and representatives,
21 Cahill Gordon are in the courtroom today.

22 THE COURT: Actually, I have a question about the
23 cases. As I understand it, in Gawker Media LLC, all the
24 creditors have been paid in full, other than I guess Mr.
25 Bollea's interest in that --

1 MR. GALARDI: In that creditor --

2 THE COURT: Contingent --

3 MR. GALARDI: Right.

4 THE COURT: Creditor trust, and also I guess
5 GotNews and Johnson, but their claim has been capped, and
6 that's been escrowed.

7 MR. GALARDI: Correct. Your Honor actually asked
8 them to call a status conference in referring to Johnson.
9 The money has been put aside for the following claims.
10 Bollea's been paid in full, the 31 million plus the
11 contingent interest, I think it's 45 percent in creditor
12 recoveries.

13 THE COURT: He's got an \$84 million claim.

14 MR. GALARDI: He's got an \$84 million claim,
15 correct. Then with respect to Johnson, there's money been
16 put aside. There's also been put aside reserves, and Mr.
17 Holden is here for any administrative tax claims, Your
18 Honor. So all of those creditors, other than Mr. Bollea,
19 will be paid in full, with Mr. Bollea having a share of the
20 percentage, that is correct.

21 THE COURT: He's got a contingent claim at this
22 point.

23 MR. GALARDI: Correct. And then all the creditors
24 at the other companies, Gawker Hungary have been paid in
25 full, and all the creditors up at GM LLC have been paid in

1 full. And there has been a distribution to equity, and
2 there'll be more distributions to equity, depending on how
3 all the monies come out.

4 THE COURT: Okay.

5 MR. GALARDI: All right, so with respect to
6 Cahill, Your Honor, counsel is here, should you have any
7 questions. The Debtor's Mr. Holden is in the courtroom,
8 have reviewed the applications as of the U.S. Trustee, and
9 would ask that Your Honor approve that fee application.

10 THE COURT: Does anyone want to be heard?

11 MR. MORRISSEY: Your Honor, Richard Morrissey --

12 THE COURT: Why don't you go through all of them?

13 MR. MORRISSEY: Okay, that's fine.

14 THE COURT: And then I'll ask if there are any
15 objections.

16 MR. GALARDI: Sure. Your Honor, the next one is
17 Ropes & Gray. Ropes & Gray has a second interim fee
18 application for just under \$3.5 million and expenses of
19 \$130. The total fees that are being asked to approve on a
20 final basis are \$7.46 million, and the total payment
21 requested in this that has been held back is just under
22 \$1,974,850.77. Again, we've worked with the U.S. Trustee,
23 given him all the financial data, and there were no
24 objections.

25 The next professional that has been retained is

1 Citrin Cooperman. They have a final fee application of
2 \$187,455. For that, they are seeking payment today of
3 \$28,663.54 on a final basis, again, no objections. They
4 were the accounting firm that helped with a number of the
5 accounting issues that were resolved, but inter-estate
6 issues and within the estate.

7 There are two local counsels that were involved in
8 the Bollea action, and taking certain steps. The first one
9 is Thomas & LoCicero. They have final fee requests of
10 \$5440, and expenses of \$3445, and they're seeing \$1088 on a
11 final basis that has not been paid, and Bush Ross PA, which
12 has got \$8250 on the final application, no expenses, and
13 seeking just under \$4000 on the final.

14 Those are the four Debtor's professionals, and
15 again, there have been no objections to those. That is
16 seeking payment of, I think Your Honor had five percent
17 holdback from the interim period, and then the final fees
18 that have not been paid, with respect to the second interim
19 period, which really ran from I think the last fee
20 application of the first interim period was through
21 September. So this is really October, November, December,
22 and then through the effective date, which was March 17th of
23 2017.

24 THE COURT: Are you done?

25 MR. GALARDI: Yes.

1 THE COURT: I'll hear the committee's fee
2 application.

3 MR. GUSBA: Good morning, Your Honor. Sandy
4 Gusba, Simpson, Thacher & Bartlett, counsel for the
5 official. Thank you, unsecured creditors' committee. And
6 we are here, Your Honor, for four final fee apps.

7 First, for my firm, Simpson, Thacher & Bartlett,
8 we are requesting in approval of an aggregate amount of
9 roughly \$1.7 million in fees and \$80,000 or so in expenses
10 in the aggregate, and this -- and allowance and
11 authorization for payment with respect to five percent of a
12 holdback from the first interim fee application, and
13 thereafter, monthly fee statements from I believe February
14 through March, mid-March, which is the effective date of the
15 Chapter 11 plan. We have also likewise had conversations
16 with the U.S. Trustee, and responded to any questions they
17 had to their satisfaction, I believe, and there have not
18 been any objections.

19 In addition to Simpson Thacher's final fee
20 application, Your Honor, we have two co-counsel, one was a
21 Hungarian counsel, Mourant -- excuse me, Cayman counsel,
22 Mourant. They principally focused their attention on lien
23 review issues in connection with the DIP financing and the
24 prepetition liens, et cetera, and their final fee
25 application is approximately \$28,420, which includes

1 expenses as well.

2 And then Your Honor, lastly Dentons, which was our
3 Hungarian counsel. I'm not going to try to pronounce the
4 first name of the firm, I'll just go with Dentons. And
5 their final fee app was \$7680.50, with expense of \$177.29.
6 Dentons was principally there to help us with some inter-
7 company analysis, et cetera. Because if you recall, there
8 were three principal players here, and as far as the
9 corporate structure chart was concerned, and one of them was
10 the Hungarian entity.

11 And then lastly, Your Honor, our financial
12 advisor, with respect to, is Deloitte, and we're here for
13 their final fee application as well, of roughly \$893,991
14 with expenses of approximately \$1096.03.

15 THE COURT: All right. Does anyone want to be
16 heard?

17 MR. MORRISSEY: Your Honor, Richard Morrissey for
18 the U.S. Trustee. The U.S. Trustee has discussed certain of
19 the fee applications, as counsel has stated, and the U.S.
20 Trustee has no objection.

21 THE COURT: All right, then the applications are
22 granted, you can submit an order.

23 MR. GALARDI: Thank you, Your Honor.

24 MR. GUSBA: Thank you, Your Honor.

25 MR. GALARDI: Your Honor, the final matter that

1 was on the agenda was I think adjourned, but it's the AJ
2 Daulerio matter, and the only basis for the adjournment is
3 as we adjourned the Levine Sullivan fee application, it's
4 tied up in that, because one of the claims is a
5 reimbursement for Levine Sullivan's fees, and we're working
6 on that to resolve that. So that will all, I think those
7 are, for the July 19th hearing, our next hearing. And there
8 will be a status conference at that hearing as well. I
9 think it's July 18th, Your Honor.

10 THE COURT: It's July 18th. Did I schedule a
11 status conference in the request by Got News and Johnson?

12 MR. GALARDI: No, his date was -- he was
13 unavailable July 18th. I got an email yesterday and
14 suggested a few dates. It may be before or after, I have
15 not heard back from them. Again, the status conference on
16 that, Your Honor asked the question, the funds are in
17 reserve for him in the full amount, and then the only issue
18 I think, is Your Honor has under consideration the personal
19 injury matter.

20 THE COURT: And then the 2004 exam.

21 MR. GALARDI: And you have the 2004. Thank you,
22 Your Honor.

23 THE COURT: Thank you very much.

24 MR. GUSBA: Thank you, Your Honor.

25 (Whereupon these proceedings were concluded at

1 10 : 24 AM)
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25

I N D E X

RULINGS

Page Line

Fee Applications Granted 12 22

C E R T I F I C A T I O N

I, Sonya Ledanski Hyde, certified that the foregoing
transcript is a true and accurate record of the proceedings.

Sonya Ledanski
Hyde

Digitally signed by Sonya Ledanski Hyde
DN: cn=Sonya Ledanski Hyde, o=Veritext,
ou,email=digital@veritext.com, c=US
Date: 2017.06.21 14:35:10 -04'00'

Sonya Ledanski Hyde

Veritext Legal Solutions

330 Old Country Road

Suite 300

Mineola, NY 11501

Date: June 21, 2017